

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In Re:	§	Chapter 11
	§	
W.R. GRACE & CO., et al.,	§	Jointly Administered
	§	Case No. 01-01139 (JKF)
Debtors.	§	
	§	

**FEE AUDITOR'S FINAL REPORT REGARDING
FEE APPLICATION OF CAPLIN & DRYSDALE,
CHARTERED FOR THE EIGHTH INTERIM PERIOD**

This is the final report of Warren H. Smith & Associates, P.C. ("Smith"), acting in its capacity as fee auditor in the above-captioned bankruptcy proceedings, regarding the Interim Fee Application of Caplin & Drysdale, Chartered for the Eighth Interim Period (the "Application").

BACKGROUND

1. Caplin & Drysdale, Chartered ("Caplin") was retained as national counsel to the Official Committee of Asbestos Personal Injury Claimants. In the Application, Caplin seeks approval of fees totaling \$33,930.00 and costs totaling \$5,256.45 for its services from January 1, 2003, through March 31, 2003.

2. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Application in its entirety, including each of the time entries included in the exhibits to the Application, for compliance with 11 U.S.C. § 330, Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2001, and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. 330, Issued January 30,

1996, (the "Guidelines"), as well as for consistency with precedent established in the United States Bankruptcy Court for the District of Delaware, the United States District Court for the District of Delaware, and the Third Circuit Court of Appeals. We served on Caplin an initial report based on our review, and received a response from Caplin, portions of which response are quoted herein.

DISCUSSION

General Issues

3. In our initial report, we noted that the Application was generally adequately detailed and devoid of lumping.

Specific Time and Expense Entries

4. We further noted a meal expense for \$122.45 on January 14, 2003, that, without greater detail, may be considered excessive. The entry is provided below.

1431318	CSR luncheon meeting on 1/14	CSR	\$122.45
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We asked Caplin to provide the number of diners covered, as well as any other relevant information that might help support the reasonableness of the expense. Caplin's response is provided below.

You have inquired about an expense in the amount of \$122.45 incurred by Caplin & Drysdale attorney Christopher Rizek regarding a luncheon meeting that took place on January 14, 2003. That meeting was held to negotiate a settlement of the Grace-Fresenius litigation and, in addition to Mr. Rizek, was attended by counsel for the property damage committee, counsel for Fresenius, and the tax director and two Fresenius financial officers.

We appreciate the response and have no objection to this expense.

CONCLUSION

5. Thus, we recommend approval of fees totaling \$33,930.00 and costs totaling \$5,256.45 for Caplin's services from January 1, 2003, through March 31, 2003.

Respectfully submitted,

WARREN H. SMITH & ASSOCIATES, P.C.

By: 

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FEE AUDITOR

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served First Class United States mail to the attached service list on this 15th day of July, 2003.


Warren H. Smith

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